

Union Calendar No. 37

110TH CONGRESS
1ST SESSION

H. R. 1562

[Report No. 110–66]

To amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2007

Mr. RANGEL (for himself, Mr. McCRERY, and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

MARCH 23, 2007

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 19, 2007]

A BILL

To amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Katrina Housing Tax*
 3 *Relief Act of 2007”.*

4 **SEC. 2. EXTENSION AND EXPANSION OF LOW-INCOME**
 5 **HOUSING CREDIT RULES FOR BUILDINGS IN**
 6 **THE GO ZONES.**

7 *(a) TIME FOR MAKING LOW-INCOME HOUSING CREDIT*
 8 *ALLOCATIONS.—Subsection (c) of section 1400N of the In-*
 9 *ternal Revenue Code of 1986 (relating to low-income hous-*
 10 *ing credit) is amended by redesignating paragraph (5) as*
 11 *paragraph (6) and by inserting after paragraph (4) the fol-*
 12 *lowing new paragraph:*

13 *“(5) TIME FOR MAKING LOW-INCOME HOUSING*
 14 *CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall not*
 15 *apply to an allocation of housing credit dollar*
 16 *amount to a building located in the Gulf Opportunity*
 17 *Zone, the Rita GO Zone, or the Wilma GO Zone, if*
 18 *such allocation is made in 2006, 2007, or 2008, and*
 19 *such building is placed in service before January 1,*
 20 *2011.”.*

21 *(b) EXTENSION OF PERIOD FOR TREATING GO ZONES*
 22 *AS DIFFICULT DEVELOPMENT AREAS.—*

23 *(1) IN GENERAL.—Subparagraph (A) of section*
 24 *1400N(c)(3) of such Code is amended by striking*
 25 *“2006, 2007, or 2008” and inserting “the period be-*

1 *ginning on January 1, 2006, and ending on Decem-*
 2 *ber 31, 2010”.*

3 (2) *CONFORMING AMENDMENT.—Clause (ii) of*
 4 *section 1400N(c)(3)(B) of such Code is amended by*
 5 *striking “such period” and inserting “the period de-*
 6 *scribed in subparagraph (A)”.*

7 (c) *COMMUNITY DEVELOPMENT BLOCK GRANTS NOT*
 8 *TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE*
 9 *FEDERALLY SUBSIDIZED.—Subsection (c) of section 1400N*
 10 *of such Code (relating to low-income housing credit), as*
 11 *amended by this Act, is amended by redesignating para-*
 12 *graph (6) as paragraph (7) and by inserting after para-*
 13 *graph (5) the following new paragraph:*

14 “(6) *COMMUNITY DEVELOPMENT BLOCK GRANTS*
 15 *NOT TAKEN INTO ACCOUNT IN DETERMINING IF*
 16 *BUILDINGS ARE FEDERALLY SUBSIDIZED.—For pur-*
 17 *pose of applying section 42(i)(2)(D) to any building*
 18 *which is placed in service in the Gulf Opportunity*
 19 *Zone, the Rita GO Zone, or the Wilma GO Zone dur-*
 20 *ing the period beginning on January 1, 2006, and*
 21 *ending on December 31, 2010, a loan shall not be*
 22 *treated as a below market Federal loan solely by rea-*
 23 *son of any assistance provided under section 106,*
 24 *107, or 108 of the Housing and Community Develop-*
 25 *ment Act of 1974 by reason of section 122 of such Act*

1 or any provision of the Department of Defense Appro-
 2 priations Act, 2006, or the Emergency Supplemental
 3 Appropriations Act for Defense, the Global War on
 4 Terror, and Hurricane Recovery, 2006.”.

5 **SEC. 3. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR**
 6 **REPAIRS AND RECONSTRUCTIONS OF RESI-**
 7 **DENCES IN THE GO ZONES.**

8 Subsection (a) of section 1400N of the Internal Rev-
 9 enue Code of 1986 (relating to tax-exempt bond financing)
 10 is amended by adding at the end the following new para-
 11 graph:

12 “(7) SPECIAL RULE FOR REPAIRS AND RECON-
 13 STRUCTIONS.—

14 “(A) IN GENERAL.—For purposes of section
 15 143 and this subsection, any qualified GO Zone
 16 repair or reconstruction shall be treated as a
 17 qualified rehabilitation.

18 “(B) QUALIFIED GO ZONE REPAIR OR RE-
 19 CONSTRUCTION.—For purposes of subparagraph
 20 (A), the term ‘qualified GO Zone repair or re-
 21 construction’ means any repair of damage
 22 caused by Hurricane Katrina, Hurricane Rita,
 23 or Hurricane Wilma to a building located in the
 24 Gulf Opportunity Zone, the Rita GO Zone, or
 25 the Wilma GO Zone (or reconstruction of such

building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor's adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor's adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

“(C) *TERMINATION.*—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011.”.

SEC. 4. GAO STUDY OF PRACTICES EMPLOYED BY STATE AND LOCAL GOVERNMENTS IN ALLOCATING AND UTILIZING TAX INCENTIVES PROVIDED PURSUANT TO THE GULF OPPORTUNITY ZONE ACT OF 2005.

(a) *IN GENERAL.*—The Comptroller General of the United States shall conduct a study of the practices employed by State and local governments, and subdivisions thereof, in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005 and this Act.

1 (b) *SUBMISSION OF REPORT.*—Not later than one year
 2 after the date of the enactment of this Act, the Comptroller
 3 General shall submit a report on the findings of the study
 4 conducted under subsection (a) and shall include therein
 5 recommendations (if any) relating to such findings. The re-
 6 port shall be submitted to the Committee on Ways and
 7 Means of the House of Representatives and the Committee
 8 on Finance of the Senate.

9 (c) *CONGRESSIONAL HEARINGS.*—In the case that the
 10 report submitted under this section includes findings of sig-
 11 nificant fraud, waste or abuse, each Committee specified in
 12 subsection (b) shall, within 60 days after the date the report
 13 is submitted under subsection (b), hold a public hearing to
 14 review such findings.

15 **SEC. 5. MODIFICATION OF COLLECTION DUE PROCESS PRO-**
 16 **CEDURES FOR EMPLOYMENT TAX LIABIL-**
 17 **ITIES.**

18 (a) *IN GENERAL.*—Section 6330(f) of the Internal Rev-
 19 enue Code of 1986 (relating to jeopardy and State refund
 20 collection) is amended—

- 21 (1) by striking “; or” at the end of paragraph
 22 (1) and inserting a comma,
 23 (2) by adding “or” at the end of paragraph (2),
 24 and

1 (3) by inserting after paragraph (2) the fol-
2 lowing new paragraph:

3 “(3) the Secretary has, on or before September
4 30, 2015, served a levy in connection with the collec-
5 tion of taxes under chapter 21, 22, 23, or 24,”.

6 (b) *EFFECTIVE DATE.*—The amendments made by this
7 section shall apply to levies served on or after the date that
8 is 120 days after the date of the enactment of this Act.

9 **SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED**
10 **TAXES.**

11 Subparagraph (B) of section 401(1) of the Tax In-
12 crease Prevention and Reconciliation Act of 2005 is amend-
13 ed by striking “106.25 percent” and inserting “106.45 per-
14 cent”.

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